

Message Text

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43

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-04 FEAE-00 FPC-01 H-01

INR-05 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01

SAM-01 OES-02 SP-02 SS-15 STR-01 TRSE-00 FRB-01 /085 W

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R 131254Z NOV 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 1472

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY DOHA

AMCONSUL DHAHRAN

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY TEHRAN

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BEIRUT PASS BAGHDAD

E.O. 11652: N/A

TAGS: ENRG KU

SUBJECT: KUWAIT OIL ORGANIZATION CHANGES TO BE IMPLEMENTED
SLOWLY

REF: KUWAIT 3968

1. REFTEL WAS PREPARED IN SEPTEMBER AND DESCRIBED CHANGES WHICH HAD BEEN MADE IN ORGANIZATION KUWAIT PETROLEUM INDUSTRY. MEMBER OF BOARD KUWAIT OIL, GAS AND ENERGY COMPANY (KOGEC) BRIEFED EMBOFF NOVEMBER 13 ON APPROACH BEING TAKEN IN IMPLEMENTING RECENT ORGANIZATIONAL CHANGES.

2. ACCORDING TO SOURCE, REPORT HAS BEEN SUBMITTED TO HIGHER OIL
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COUNCIL WHICH HEADED BY PRIME MINISTER AND APPROVAL IS EXPECTED

VERY SOON. ALTHOUGH SOURCE DID NOT DIVULGE CONTENTS OF REPORT, HE INDICATED IT DEALT PRIMARILY WITH RELATIONSHIPS AND DIVISION OF RESPONSIBILITIES BETWEEN KOGEC AND MINISTRY FINANCE AND OIL AND BETWEEN KOGEC AND INDIVIDUAL COMPANIES SUCH AT KOC, KNPC, KCFC, KOTC AND OTHERS WHICH MAY EVENTUALLY BE ESTABLISHED.

3. EMBOFF WAS TOLD GENERAL PHILOSOPHY AT KOGEC IS TO TAKE ON RESPONSIBILITIES ONLY GRADUALLY. NEW COMPANY IN NO HURRY TO INJECT ITSELF INTO SUCH COMPANIES AS KOC, KNPC AND KCFC WHICH OPERATING RATHER WELL. IT WILL GRADUALLY, SLOWLY AND AT FIRST INFORMALLY ASSERT ITS SUPERVISORY RESPONSIBILITIES. SIMILARLY KOGEC IN NO HURRY TO CHALLENGE MINISTRY IN THOSE AREAS WHERE IT HAS BEEN OPERATING. KOGEC BOARD MEMBER SAID MINISTRY HAS BEEN OPERATING FOR ELEVEN YEARS; ANOTHER EIGHT MONTHS WON'T MAKE ANY DIFFERENCE.

4. SOURCE ANTICIPATES THAT BY NEXT SUMMER KOGEC WILL BE FULLY OPERATIONAL. BY THEN IT WILL HAVE RETAINED CONSULTANT AND EXPERT STAFF WHICH COULD BE AMERICAN. MEANWHILE IT WILL ESTABLISH OFFICES AND GENERAL OPERATIONS HERE. UNTIL IT FULLY OPERATIONAL WITH FULL STAFF BOARD MEMBERS LIKELY TO KEEP LOW POSTURE AND ARE NOT RPT NOT INTERESTED IN SEEING PEOPLE WHO INTERESTED IN DOING BUSINESS WITH KOGEC. FOR NOW SUCH INDIVIDUALS SHOULD GO TO MINISTRY OR TO RELEVANT COMPANIES.

5. COMMENT: AS INDICATED BY BOARD MEMBERSHIP WHICH DOMINATED BY BUSINESSMEN AND TECHNOCRATS, KOGEC APPARENTLY EAGER TO OPERATE IN BUSINESSLIKE, PROFESSIONAL MANNER. BOARD APPEARS TO WANT TO BE FIRMLY BASED BEFORE GETTING INTO IMPORTANT TASKS OF MARKETING CRUDE OIL AND OPERATING PETROLEUM BASED INDUSTRIES. AS OF NOW IT STILL NOT CLEAR WHAT RELATIONSHIPS AND DIVISION OF RESPONSIBILITIES WILL BE ESTABLISHED AMONG KOGEC, MINISTRY AND INDIVIDUAL COMPANIES.

6. SHOULD BE NOTED, ALTHOUGH KOGEC BOARD MEMBER DID NOT MENTION IT, THAT IN ADDITION TO HIGHER OIL COUNCIL/COUNCIL OF MINISTERS (I.E. GOK) APPROVAL, NATIONAL ASSEMBLY BEING ASKED FORMALLY AUTHORIZE ORGANIZATION. SO FAR SUBJECT NOT THOUGHT TO BE ONE WHICH WILL BE ATTACKED IN PARLIAMENT, BUT DURING ELECTION YEAR ANY-LIMITED OFFICIAL USE

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THING IS POSSIBLE.
STOLTZFUS

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 13 NOV 1974
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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: cunninfx
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Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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30 JUN 2005

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